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FEDERAL COMMUNICATIONS COMMISSION
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Implementation of Section 8)
of the Cable Television Consumer)
Protection and Competition Act)
of 1992)

MM Docket No. 92-263

COMMENTS OF THE
NATIONAL TELEPHONE COOPERATIVE ASSOCIATION

The National Telephone Cooperative Association ("NTCA") submits these Comments in response to the Notice of Proposed Rule Making, ("NPRM"), FCC 92-541, released by the Commission on December 11, 1992. In this NPRM, the Commission is seeking comments on how it should establish customer service requirements it is required to enact under Section 8 of the Cable Television Consumer Protection and Competition Act of 1992 ("Act").

NTCA is a national association of approximately 480 small and rural local exchange carriers ("LECs") providing telecommunications services to interexchange carriers ("IXCs") and subscribers across rural America. Approximately 150 of NTCA's members operate cable television systems in their telephone service area. Most of them provide service under the rural exemption in 47 C.F.R. § 63.58.

DISCUSSION

The Commission believes that Congress intended it to establish "flexible" standards to accommodate State and local government interests in imposing more stringent customer standards. NPRM, ¶ 8. However, Congress was not only concerned with deference to the states but realized "the difficulty of establishing a uniform set of national standards that can be applied equally to all cable systems, regardless of size, and in all parts of the country, regardless of marketplace characteristics."¹ Additionally, Congress expressed its concerns for the effect of regulation on small systems by specifically directing the Commission to reduce administrative burdens on small systems of 1,000 or less in enacting rate regulation.

This directive specifically aimed at ameliorating the effects of rate regulation on companies with less than 1,000 subscribers is consistent with a flexible Commission approach to rules relating to Section 8 customer service standards for these and other small systems like those which operate under the rural exemption but may fall slightly above the 1,000 subscriber threshold. Section 8 is obviously not intended to impose unnecessary burdens on small systems that employ customer service standards which satisfy consumer needs but is instead intended to address abusive practices by large companies.² NTCA urges the

¹ H.R. 102-628, 102d Cong., 2d Sess. at 105 (1992).

² It is instructive, for example, that the consumer evidence presented before the House committee concerning customer
(continued...)

Commission to tailor its rulemaking in this proceeding with that goal in mind.

The service standards the Commission adopts should particularly not impose unnecessary burdens on systems operating under the rural exemption, all of which provide service in sparsely populated and marginally profitable areas. NTCA members deployed most of these systems at the request of local franchising authorities or rural communities which otherwise would not have received cable service at all or would have been the last to do so but for the provision of the service by the telephone company. Unlike the large systems that operate in large metropolitan areas or that may have small operations in rural areas, these NTCA member systems are always small and operate the same way the telephone company is operated; that is with the customer and customer service in mind and as the first priority. NTCA urges the Commission to recognize and take account of the fact that telephone company owned CATV systems provide the same high quality service that the telephone company does. In view of this, these systems should not be saddled with unnecessary regulations that provide no additional benefits but do impose additional costs on the consumers who, in the case of cooperatively owned systems are also the owners of the system.

²(...continued)
complaints about service standards came from large metropolitan sources: a New York City survey; the Mayor of Newark, New Jersey; the Mayor of Baltimore, Maryland. H.R. 628, 102nd Cong., 2d Sess. at 35 (1992).

The NPRM correctly recognizes that some service areas are so unique that even minimal service guidelines may require a level of funding that, with a limited subscriber base, might result in a dramatic increase in rates or a reduction of other services. NPRM, ¶ 18. The Commission asks for specific comments on how it can address various levels of service obligations for different cable communities in view of the costs and benefits associated with the imposition of federal standards. Id.

One approach the Commission could take to fulfill its mandate under Section 8 while at the same time taking account of the costs and benefits associated with service obligations is to allow small systems operated by telephone companies under the rural exemption to apply to their cable operations either the existing National Cable Television Association ("NCTA") standards (if these are the standards they now employ) or their telephone operations' service standards governing office hours, telephone availability, installations, outages, service calls, billing and refunds and communications between the cable operator and the subscriber. Under this approach, the Commission should make the standards self-executing, i.e., no local franchising or any form of State action would be required to make the standards applicable to companies operating under the exemption and the companies would not be subject to any other customer service standard imposed by the Commission. NTCA believes such an approach would fulfill the Commission's mandate.

Another approach the Commission can take is to allow local franchising authorities to accept as Section 8 conforming standards, the telephone operations' standards or other agreed to standards appropriate to the size of the system and other unique characteristics of the system or the service area. NTCA believes such an approach would be consistent with the Commission's tentative conclusion that local standards adopted by mutual agreement are permitted under Section 632 of the Communication's Act.³ Thus, for example, in the case of small systems where there have been no complaints to local franchising authorities, Commission rules should be flexible enough to allow local authorities and small systems to agree that existing customer service standards or system practices satisfy Section 8. Neither the local authority nor the small systems should be subjected to costly certification procedures to accomplish this. NTCA believes that the goals of Section 8 can be accomplished with simple procedures such as company retention of complaints about service and the display or publication of service standards.

³ NPRM, ¶ 5.

CONCLUSION

For the above stated reasons, NTCA urges the Commission to adopt rules which allow CATV systems operating under the rural exemption to comply with Section 8 by opting to utilize existing NCTA standards or telephone operations' customer service standards. NTCA also urges the Commission to reduce regulatory burdens on these systems by refraining from imposing inflexible standards on them.

Respectfully submitted,

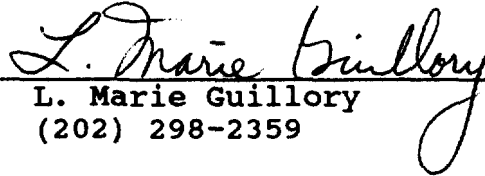
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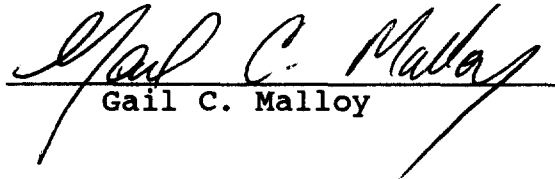
January 11, 1993

CERTIFICATE OF SERVICE

I, Gail C. Malloy, certify that a copy of the foregoing
Comments of the National Telephone Cooperative Association in MM
Docket No. 92-263 was served on this 11th day of January 1993, by
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